

LMI ADVISORY GROUP MEETING
Thursday, April 26, 2007
Meeting Minutes

ADVISORY GROUP ATTENDEES

Alissa	Anderson-Garcia	CA Budget Project
Jude	Bayham	Center for Economic Development
Dan	Blake	CSU, Northridge
Nancy	Carlton	CSU, Sacramento
Julie	Chan	UC Center Sacramento
Peter	Cooper	CA Labor Federation
Patricia	de Cos	California Research Bureau
Richard	Della Valle	CCCEWD
Tammie	Holloway	CDE – ROCP Unit
Tom	Lease	LWDA/CALBIS
Janet	Maglinte	LWDA/Economic Strategy Panel
Theresa	Milan	Los Rios CCD
Cliff	Moss	CDE – Adult Education Office
Beverly	Odom	California Workforce Investment Board
Dennis	Reid	DOL - BLS
Stacy	Wilson	California Postsecondary Education Commission
Chuck	Wiseley	CCC System Office

LMID Staff

Larry	Clark
Bonnie	Graybill
Vivian	Gerlach
Steve	Saxton
Sharon	Sober
Marilyn	Smith
Jennifer	Stefanick
Paul	Wessen

Welcome

Steve Saxton was introduced as the new Labor Market Information Division Chief. He welcomed the Advisory Group members and expressed appreciation for the valuable work contributed by this Group, and acknowledged the commitment of the members, many of whom have been attending for years.

Review of January 25, 2007 Minutes

Bonnie Graybill asked for comments/ edits on the Minutes. There were none.

Current agenda was adjusted due to Donna Bahls' illness, therefore the GIS Update, Agenda Item #5, would be presented by GIS Staff, Marilyn Smith and Jennifer Stefanick.

Introductions

The group made introductions round-robin.

Economic Update

Paul Wessen, Division Economist, gave an economic update utilizing a Microsoft Power Point presentation. Highlights follow:

The annual rate of growth from 2006 into 2007 promises a moderate slow down. UCLA has predicted the worst downturn, and DOF has predicted a slow down also. The cause of the slowdown is the slowing housing market, anticipated to continue through the third quarter 2007. The fourth quarter 2007 employment numbers should begin to show improvement and then come back to normal in 2008.

California will experience a deeper slowdown than the nation due to a greater use of the sub-prime lending in residential real estate – it will be worse in the central valley and inland empire as that is where the bulk of latest lending occurred.

Paul anticipates an employment slowdown in 2007 but it should bounce back in 2008, however, also anticipates that unemployment rates will rise from 2007 to 2008.

How deep or how long will the downward turn in the economy last? Paul believes it won't last long enough to cause a recession in the nation or in California. The cause of some recent changes in the unemployment rate is a significant revision to the population count. There were large gains in civilian and labor force employment resulting from the month-over-month employment numbers' constant acceleration. Labor force civilian non-farm employment is moving upward.

Referencing the 2005/06 CA Industry Employment Benchmark Year-Over-Year Revisions: Paul commented on why construction employment is not yet declining along with the decline in building permits. He believes it is most likely that as undocumented workers are cut from the workforce, the reductions are not showing up in the official numbers, however, alternatively, it could be an issue with the modeling. We don't know at this point. The Financial Activities (mortgage brokers, for instance) industry has been hit the hardest due to the residential housing market downturn.

Current trends in California show the downturn in construction, however, there's still some employment growth through first quarter 2007 overall. Financial Activities are down as well as Trade, Transportation, and Utilities (TT&U). Theory is: If housing declines, TT&U also declines. There is often an association, likely because homeowners have less money available to spend, therefore they curtail purchasing.

If one breaks the construction industry into sub-sectors, one gets a better picture of what's really happening: Residential construction is flat; non-residential construction shows gains;

specialty trades are flat; and heavy construction is gaining. Overall the construction industry has flattened out, which is significant considering that it has been the fastest growing sector in California for many years.

Regional construction employment varies greatly. The strongest slowdown appears where the construction boom was strongest. The San Joaquin Valley and Southern California have been hit hard, while the Bay Area remains comparatively strong. Sacramento shows gain in employment year-over-year March 2006-07; this may be due to the fact that it rained most of the month of March in 2006.

Regionally, Financial Activities employment declined in all areas other than the Bay Area. The strong Bay Area trends are probably a reflection of the area's rebound from the 2000 recession which hit the Bay Area the hardest. While the growth in employment continues to rebound, it is still down from its peak.

Stacy Wilson discussed an article printed recently in the Sacramento Bee related to the high median housing prices in San Diego and how housing is out of reach for many of the local workers. The article said that local transportation is not widely available to move workers in from the more affordable outlying areas so there appears to be a great need for more affordable housing. Paul said he thinks it is most likely that those workers will widen their search for housing like the Bay Area workers have done into the San Joaquin Valley.

Paul mentioned CES is now seasonal adjusting some industry sub-sectors. For example, rather than seasonally adjusting Manufacturing as a whole, they now adjust Durable and Nondurable Manufacturing separately. This is being done for the State as well as in 13 of the largest local areas (excluding San Jose, Sacramento, and Fresno due to reconfiguration of the MSAs in 2005). Following the Advisory Group meeting, Paul provided information on the Industry sub-sectors and the 13 local areas now subject to seasonal adjustment, along with links to the online data:

These are the industries now seasonally adjusted (From January 1997 forward), with the new ones shown unbolded:

Total Nonfarm

Natural Resources and Mining

Construction

Manufacturing

Durable Goods

Non-Durable Goods

Trade, Transportation and Utilities

Wholesale Trade

Retail Trade

Transp., Warehousing & Utilities

Information

Financial Activities

Finance & Insurance

Real Estate & Rental & Leasing

Professional and Business Services

Professional, Scientific & Technical Serv.

Administrative & Support & Waste Serv.

Educational and Health Services

Educational Serv.

Health Care & Social Assistance

Leisure and Hospitality

Arts, Entertainment, & Recreation
Accommodation & Food Service

Other Services**Government**

Federal Government
State Government
Local Government

These industries are now part of the California seasonally adjusted file we routinely post on the web. A link to this file can be found (a little way down) on the following web page.

<http://www.calmis.ca.gov/htmlfile/county/califhtm.htm>

Following are the 13 local areas now seasonally adjusted (From January 1997 to present):

Bakersfield MSA
Los Angeles-Long Beach-Glendale MD
Modesto MSA
Oakland-Fremont-Hayward MD
Oxnard-Thousand Oaks-Ventura MSA
Riverside-San Bernardino-Ontario MSA
Salinas MSA
San Diego-Carlsbad-San Marcos MSA
San Francisco-San Mateo-Redwood City MSA
Santa Ana-Anaheim-Irvine MD
Santa Barbara-Santa Maria-Goleta MSA
Santa Rosa-Petaluma MSA
Stockton MSA

You can find a link to two files containing the area MSA data (1997 -1999; 2000 – present) midway down the following web page:

<http://www.calmis.ca.gov/htmlfile/msa/lalb.htm>

Chuck Wiseley asked whether the CES series data is available to local community colleges on the Internet. While this data is available online in the Data Library, it is not shown in the regional format in which Paul presented it. The data can be found in the Data Library by scrolling down to Employment by Industry.

A question was asked whether there were a way to track 'Green Construction' Jobs, for instance, photovoltaic equipment installation. Paul stated there is not enough detail available in specialty jobs. The NAICS classifies industry jobs by function, not by product, therefore the jobs of folks who install photovoltaic equipment would be classified as building equipment contractors, the most detailed breakout published in CES.

Peter Cooper from the CA Labor Federation asked whether Occupational Projections are available regionally, specifically, is there an online tool that aggregates occupational projections? Bonnie stated there is a way to compare local data for up to three geographic areas, but this does not aggregate occupational projections. Numbers for each area are

displayed individually. Steve Saxton asked whether the functionality should be expanded to aggregate more than three areas. He asked the Committee if others perceived this need. Would it be helpful if we build this capability and make available to everyone on the web site or create an ad hoc aggregation for Mr. Cooper. Others seemed interested in the online capability, and Janet Maglinte mentioned the possibility of some grant monies available to help build it. We will ask staff to explore the possibility.

GIS Presentation

Marilyn Smith: Offered an overview of GIS services that they provide.

LWIA Map series – New and improved maps, analysis for decision making. Maps are available on-line showing Local Workforce Investment Areas, in a .pdf format. These maps are for each area, and are ‘static’ (i.e. not interactive). These maps include significant features such as roads and cities. They are available on the Labor Market Info web site.

The GIS unit has been working to produce interactive maps. These would include all of the detail present on the static map, and include things such as more colleges and ROP sites. These interactive maps use ARC reader, which is free and easy to use.

The interactive maps are not on our web site at this time, but GIS staff is developing a CD, in conjunction with the California Workforce Investment Board (CWIB), which offers the interactive maps. Once completed, the CWIB staff will oversee marketing and distribution of the CDs.

The interactive maps allow one to use various tools, zoom, add or delete layers, and scroll. User can select various data sets on the left side of the ARC viewer.

We also offer hyperlinks to features displayed on the maps; click, go to the site!

Bonnie Graybill: How to order CDs?

Marilyn Smith: Information on how to get what is available now is on the handout. (The CWIB is developing a marketing/distribution strategy, since this is a product that LMID developed for the CWIB. However, in the interim, feel free to get in touch with Donna Bahls dbahls@edd.ca.gov or Marilyn Smith msmith@edd.ca.gov.)

Beverly Odom: Could one put the interactive map on the internet?

Bonnie Graybill: I believe that we went to CD as a delivery vehicle because the map files are so big – even with fast computers a map takes quite a while to load.

Richard Della Valle: There are other ways of getting information out – Arc Explorer may help get information on the web client. We'd need servers for this, though.

Steve Saxton: We could look into putting interactive maps on the web.

Dave Dahlberg: We have looked at and tested that option, but cost is too high to maintain the interactive features via the web. (Discussions continue within LMID on this topic.)

Marilyn Smith: Another example of GIS work currently underway--Collaboration with BLS and the California Geological Survey has led to analyses that try to anticipate the economic damage that would occur after a major earthquake along the Hayward fault. This is an important commercial and population center that has about 2 million residents who would potentially be affected by a major earthquake.

Dan Blake: LED maps show employment by worksite. Has that geo-coding of employment data been updated? It would be a concern if the data was not current. Workplace data was about 75% accurate in the past- Is this being addressed?

Spencer Wong: This has been a high priority for the Bureau of Labor Statistics. Geo-coding has gotten more accurate than in the past.

Dave Dahlberg: Longitude /latitude data is known for 95% of the businesses in the State. One of the steps is to get all of the addresses for each business site.

Janet Maglinte: What would be the future advantage of tying employers with GIS data? GIS by region for employers/employment? Distribution of employment in an area?

Marilyn Smith: Where the addresses have not been geo-coded, we get files with addresses and then we Geo-code the addresses. Then staff work with data to put information on the map. Preparing the data files is the most time-consuming part of the process.

Eileen : It is hard to see where individual firms on the map are. The density is too high. Does the map display employer size as well as location?

Marilyn Smith: The map has a lot of data on it, making individual sites hard to isolate. However, we can't tie the location or business size of individual employer sites in a public document as that could reveal confidential information. We have to adhere to the regulations that govern what we can and cannot release.

Patricia de Cos: Users appreciate this GIS information. The CWIB project – does it include distribution of higher education institutions? What about hyper linking with post-secondary programs, Community Colleges, UC, CSU system data? What you have is a starting point – can we work with other entities to get more information?

What about transportation patterns? A lot of Bay Area employees are now living in the Central Valley. They commute into the Bay Area. Has that been taken into account?

Marilyn Smith: Yes. We are working to add more information with the help of feedback from customers. Data received from customers can be displayed or at least put into a database.

Bonnie Graybill: Mentioned that the work is costly. As it relates to the earthquake maps, the BLS and the Department of Conservation are applying for grant funds to sponsor the activity.

Presentation on UC Irvine's (UCI) application to build a public law school and California Post Secondary Education Commission (CPEC)'s use of LMI to assess the need for the school.

Stacy Wilson gave an overview of the **CPEC** 's analysis of the UCI application to add a public law school, illustrating the use of LMID data as part of the analysis.

This report that I am handing out demonstrates the use of LMI information. LMI can help make public policy decisions and save money.

UC Irvine has proposed founding a public law school. They submitted a 200 page paper supplying the justification for building the law school, but they did not include supply and demand data. They depended upon information from a Rand study. However, their methodology failed to take into account demand data for lawyers in the state over the forecast period. According to current data, the supply and demand for lawyers is reasonably in balance in the state.

CPEC staff decided to use LMI data to update the demand/supply data the university provided.

Commission staff looked at more current employment and forecast data, up to 2006. They used the data to update information on the supply of attorneys. When they looked at the demand side, using LMI data, the picture was much different. CPEC used current Occupational Employment Statistics (OES) employment data to produce this table.

CPEC's analysis factored the number of attorneys being educated in both public and private law schools in determining that there were already sufficient numbers of lawyers being trained.

Chuck Wiseley: What about the Bar exam pass rates of various law schools, public vs. private?

Stacy Wilson: The pass rate, I believe, is about the same for public and private schools.

The decision whether to build the law school is still up in the air. Although the commission concurred with the staff's recommendations, the University is still intent on building the school. CPEC's analysis using LMI data may still sway decision-makers.

WIA Two Year and State Strategic Plan Update: Beverly Odom

- WIA planning cycle was originally 5 years, however federal Department of Labor instituted a 2 year planning cycle two years ago in anticipation of reauthorization.
- We recently updated the subsequent two years of the WIA Two Year Plan.
- Draft plan released to public for comment March 13-22—no public comment except for comment from state workforce partner staff.

SB 293 California Strategic Plan

- SB 293, enacted Jan, 2007, requires the State Board develop a comprehensive state strategic plan.
- State Board conducting various forums to develop plan.

Other State Board activities:

- The four special committees continue to work on various deliverables.
- State Board has requested waivers from DOL regarding flexibility for use of funding
 - Up to 50% use of local formula funding for incumbent worker training.
 - Revised dislocated worker funding formula
 - New provisions allow up to 100% transfer between adult and dislocated worker funding allocations.
- Bonnie shared information from the draft Executive Summary prepared to accompany the economic and labor market analysis LMID prepared for the WIA Two Year Strategic Plan.

Legislative Update (By e-mail from Charles Kilbourne, supplemented by Bonnie):

- AB 922 regarding the creation of another statistical district in the L.A. area for transportation purposes—
 - Bill has passed the policy committee in the Assembly & now being heard in Appropriations. Language for this bill is identical to the San Fernando Valley bill. LMID cannot produce the data the legislation asks for, as we have explained to the author.
 - Bills from last session creating statistical district for Antelope Valley and Hollywood had disclaimers allowed us to provide existing data but funding from another source would need to be identified if requesters wanted more information.
 - Main goal will be to incorporate the same language from the '07 bills that had the disclaimer to AB 922.
- SB 293 replaces the Family Economic Security Act in the California Unemployment Insurance Code provisions that implement WIA.
 - Took effect on January 1, 2007

- Unique California provisions which will require changes in the workforce system
- Rearticulates federal requirements that require interpretation and guidance to local Workforce Investment Boards
- Requires the State Board to create a strategic plan for the state
- Framework for the development of workforce policy and fiscal investment & for operations of labor exchange, education and training programs

Career Technical Education legislation that LMID has been asked to review:

- AB 32 to provide public school system work certification training options to students ages 16 to 18, who have passed the exit exam and have parental consent.
- AB 1116 as amended. Would require the department to work with EDD to provide school districts & other agencies with job forecasting information from LMID to be used by local educational agencies to develop kindergarten & grades 1 thru 12 career technical education courses & programs.
- AB 1414 as amended. Career Technical Revitalization Act of 2007. Would establish the Program to be administered by the department; would appropriate \$250 million from the General Fund to the State Department of Education in the 1st fiscal year after the 2007/2008 fiscal year. Minimum funding for kindergarten and grades 1 thru 12 inclusive, education and community colleges is pursuant to Test 1 of the 3 minimum funding tests. Appropriations would require the same purposes in each fiscal year. 95% would be allocated to school's districts & county offices of educations based on individual shares based on average daily attendance of grades 9 & 10.
- AB 597 as amended. Web site pages. Would make the State Department to Education responsible for creation of comprehensive, easy to access, user friendly Web sites with information about opportunities and programs available on career technical education to elementary & secondary schools. Education would be required to develop Web site pages; establish criteria & parameters of the contents of the Web site pages; Web site pages to be incorporated to department's Web site by January 1, 2010.

Product Update:

- LMI now hosting & in control of website.
- Online system team will be able to set the priority for correcting issues with the web page—in contrast to waiting for the vendor to “get around to it.”
- We will have the “Google” search engine within the next week.
- Job listings incorporated into the occupational profile will change. DOL is no longer funding AJB as of July but we anticipate that we will be replacing job orders generated by AJB to a new job listing system offered by Job Central.

- Developing a new career product, bringing information into one resource using a dynamic update process.
 - Consolidating State & local information in one product
 - To start, will offer information about the top 50 occupations—to be expanded to include all occupations
 - Once customer selects occupation and geographic area of interest, system will generate a brief on-screen report; capacity to get more detail in a longer report—can print or e-mail report
 - This new product will combine information LMID has offered in Select Careers reports, Occupational Guides and other on-line career information
 - Occupation Guides have offered only state level data in the past
 - Focus groups held June 2006. Have been developing the database and “back end” of the new application
 - Scheduling a focus group in early June 2007 to get customer input on the look and feel of the “front end” and reports. Welcomed any Advisory Group members who would like to nominate focus group members to do so

Next Agenda:

- July 26, 2007
- Paul Ong – presentation on his use of Local Employment Dynamics (LED) data, display on maps
- Demonstrate Quarterly Workforce Indicators (QWI) and the Census Bureau’s “On the Map”—data sources used by Paul
- Broader discussion of the use of these data for research purposes
- Demonstrate new occupational product

Presentation demonstrating regional economic/workforce development planning by Humboldt and surrounding counties, using California Regional Employment Estimates and the California Regional Economies methods

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Presentations: Good/helpful	Lower turn out than previous meeting
Paul Wesson’s update- *understand data set *understand context/trends	
Good attendance	
Stacy’s presentation- How data is used/useful	
GIS- Developing areas/updates	
Web- developing area/ updated	
Parking	
Hospitality	

